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Corporate governance reform and family firms: Evidence from an emerging economy

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We investigate the comparative effectiveness of board independence in constraining Real Earnings Management (REMs) in family and non-family firms in the context of [corporate governance](#) reform in Bangladesh. In contrast to the pre-reform period, we find that independent directors are more effective in restricting REMs in family firms compared to non-family firms, post reform. Further, we find that the relationship between family ownership and REMs varies significantly between strong and weak [corporate governance](#) firms during the post-reform period. This nuanced impact of regulation extends the literature and may be generalised to similar domains with weaker institutions and investor protection.